



Pennsylvania Conference of Teamsters

Strength in Numbers 95,000

William Hamilton, President & Eastern PA Legislative Coordinator – Joseph Molinero, Sec.-Treasurer & Western PA Legislative Coordinator – Tim O'Neill, Consultant – Dan Grace, Trustee & Legislative Advisor – Robert Baptiste, Esq. Legal Advisor

LEGISLATIVE ACTION ALERT

“WON'T GET FOOLED AGAIN”

PA MINIMUM WAGE \$8.75 vs. \$12.00

PA Senator Wagner on Minimum Wage

PA [SB 865](#) referred to *Labor & Industry* on August 29, 2017

PA Senator Scott Wagner (a Republican running for Governor), whose name is attached to practically all the anti-union and Right-to-Work legislation in PA, wants to raise the minimum wage a whopping fifty cents per year for three years. Based on these wage increments, minimum wage would go from \$7.25 to \$8.75 over a three-year period or \$17,850.00 per year based on a standard 2,040 hour work year.

Based on Wagner's meager increments according to the 2017 PA Poverty Guidelines (Pennsylvania Rule of Civil Procedure 3302(b) governs the attachment of wages, salary and commissions under Section 8127(a)(3.1) of the Judicial Code) poverty level for a family of four is \$2,050.00 per month. With respect to Wagner's proposed increases, a family of four would still be earning \$562.50 less than what is established as poverty level and therefore, still be living in poverty.

On one hand Senator Wagner wants to raise minimum wage and on the other he reintroduced ([Senate Bill 714 of 2015-2016](#)) now [SB 866](#) which was referred to *Labor & Industry* on August 29, 2017. This bill exempts Pennsylvania school districts, as well as any authority, instrumentality, or agency established by a school district, from the requirements of the *Prevailing Wage Act*.

Governor Wolf's Budget Secretary on Minimum Wage

In article from the Patriot News© dated February 7, 2017 by Charles Thompson, Pennsylvania's minimum wage has been at \$7.25 per hour since 2009, when the federal minimum was last changed. It is one of 20 states currently at that level. The article goes on to say that Wolf's Budget Secretary, Randy Albright, said "It's long overdue in Pennsylvania, and we think \$12 is the right rate to catch up and provide a fair wage to those employees and their families,"

Wolf's office has projected that its plan - taking the current minimum up by 65 percent - would provide as many as one million Pennsylvania workers with total additional income of \$3.5 billion annually. That infusion into the economy, the administration added, would yield \$33.9 million in new personal income tax collections, and an additional \$61.4 million in sales tax collections. To view entire article go to:

http://www.pennlive.com/politics/index.ssf/2017/02/gov_tom_wolf_kick-starts_minim.html

Tell Your PA Senators and PA Legislators

“If you are going to raise minimum wage don’t raise it just for political capital purposes, raise it sufficiently enough to give Pennsylvanians’ a livable wage and help bring them out of poverty.”

Posted: December 19, 2016 10:08 AM
From: Senator Scott Wagner
To: All Senate members
Subject: Raising the Minimum Wage

PA SENATE MEMORANDUM

In the near future, I will be reintroducing legislation (Senate Bill 610 of 2015-2016) to raise the minimum wage paid to employees in Pennsylvania.

My legislation will have the following provisions:

- Raises the minimum wage to \$8.75/hour in \$0.50 increments over the course of three years.
- Provides for a “training wage” for everyone age 18 and under equal to the current federal minimum wage (\$7.25/hour currently).

Previous co-sponsors were: AUMENT, BROWNE, GORDNER, McGARRIGLE, and SCAVELLO.

REPORT BY THE KEYSTONE RESEARCH CENTER ON PA MINIMUM WAGE



KRC • KEYSTONE RESEARCH CENTER

The Minimum Wage In Pennsylvania

The Problem

After adjusting for inflation the hourly earnings of the bottom fifth of workers in Pennsylvania are lower today than they were in 1979. This decline in earnings has occurred despite the fact that bottom fifth of workers today is better educated and more productive than in the past.

The most important reason wages have fallen for the lowest paid Pennsylvania workers is the purchasing power of the minimum wage has failed to keep pace with inflation. The minimum wage today at \$7.25 hour has 18% less purchasing power than it did in 1979 (and 24% less than at its 1968 peak).

The Solution

An increase in the minimum wage in Pennsylvania would lift the wages of 1.2 million workers and restore much of the purchasing power lost by the minimum wage since 1968.

In collaboration with the Economic Policy Institute the Keystone Research Center has produced detailed estimates ([view the full demographic breakdown](#)) of the workers that would be affected by an increase in the minimum wage to \$10.10 and in brief finds:

- 87% of the workers who would benefit are adults (age 20 and older).
- 81% of the workers who would benefit work 20 or more hours a week.
- Just under a quarter of the workers who would benefit are parents with children.
- Those parents earn half of their family's income.
- More than half a million PA children live in households that would get a boost.

The most rigorous economic research over the past 20 years shows that raising the minimum wage **boosts worker pay without causing job losses** – even in regions where the economy is weak or unemployment is high. For an accessible review of the literature on employment impacts see [Why Does the Minimum Wage Have No Discernible Effect on Employment?](#) by John Schmitt of the Center for Economic and Policy Research.

With job losses from a higher minimum wage unlikely we estimate that an increase in the minimum wage to \$10.10 would boost total wages in Pennsylvania by \$1.8 billion boosting consumer spending and creating as result 6,000 jobs. For a comparison of the differences in impacts in terms of the workers affected and economic impacts of an alternative proposal to raise the minimum wage see the Policy Watch [Falling Short: The Impact of Raising the Minimum Wage in PA to \\$8.75 vs. \\$10.10](#).

Inflation Adjustment

Since the last increase in the Pennsylvania minimum wage in 2007 to \$7.15, inflation has reduced the purchasing power of the minimum wage by 11%. In 2006 when this last increase was being debated in Pennsylvania there were proposals to adjust the minimum wage annually for inflation but they were not adopted. Currently in the 29 states that have a minimum wage higher than the federal minimum wage, 13 (including New Jersey and Ohio) have built in annual cost of living adjustments. Building an annual cost of living adjustment into the state minimum wage is a simple and effective way to prevent inflation from driving more low-wage workers into poverty.

The Tipped Minimum Wage

Many people are unaware that there are two minimum wages in Pennsylvania, one for non-tipped workers which is currently \$7.25 an hour, and another for tipped workers which is \$2.83 an hour.

While the minimum wage has been increased since 1998, the tipped minimum has remained fixed at \$2.83 an hour. This in combination with rising prices means the purchasing power of the tipped minimum wage in Pennsylvania fell 29% between 1998 and 2012, and would now be over \$4.00 per hour if it had kept pace with inflation.

Economic dependence on tips leads to high levels of sexual harassment. A new study, [The Glass Floor: Sexual Harassment in the Restaurant Industry](#) finds that sexual harassment is pervasive in the restaurant industry and that woman in tipped jobs in restaurants in states with low tipped wages (\$2.13 per hour, close to Pennsylvania's level) are twice as likely to experience sexual harassment as women in states that pay the same minimum wage to all workers.

In the 2013 Briefing Paper [Nickel & Dimed In Pennsylvania: The Falling Purchasing Power of the Tipped Minimum Wage](#) we estimated that:

- There are 158,000 tipped workers in Pennsylvania, 117,000 of those (74%) food service workers.
 - While women account for half (51%) of the overall workforce, they make up over three quarters of the tipped workforce.
 - Although tipped workers are on average younger than most workers, nearly nine of every 10 tipped workers (87%) are adults (over 20 years of age) and over a quarter (27%) are 40 years of age or older.
 - While just one in 17 employed women (6%) overall live in poverty, one in five female tipped workers in food service lives in poverty. Among all tipped workers who are women, 18% live in poverty.
 - Half of all tipped workers make less than \$10 per hour (including tips) in Pennsylvania
 - Although the vast majority of tipped workers are women (78%), women make 15% less than tipped men (a difference of \$1.51 an hour). Among tipped workers in food service, women make 13% less per hour than men (or \$1.18 less per hour).
 - Tipped workers earn more in states with a higher tipped minimum wage and the gap in earnings between tipped workers and workers overall is smaller the higher the tipped minimum wage is in a state. In other words a good way to reduce inequality in a state is to raise the tipped minimum wage.
 - The higher the tipped minimum wage in a state, the smaller the share of tipped workers who live in poverty. Seven states with a tipped minimum wage equal to the overall minimum wage have a poverty rate of 12.1% among tipped workers compared to Pennsylvania's 17%.
-